



Mike Lee
Director of Regulatory Advocacy
League of Southeastern Credit Unions
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Birmingham, AL 35242

Gerard Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke St.
Alexandria, VA 22314-3428

6/27/2016

Re: Occupancy, Planning, & Disposal of Acquired/Abandoned Premises (RIN 3133-AE54)

Mr. Poliquin,

The League of Southeastern Credit Unions (LSCU) appreciates the opportunity the National Credit Union Administration (NCUA) has provided to comment on the FCU Occupancy, Planning & Disposal of Acquired and Abandoned Premises rule. LSCU supports NCUA's proposal to the requirement to plan and achieve full occupancy of its premises. The change to require a credit union to utilize at least fifty percent of the premises within six years is an improvement that will provide Federal Credit Unions with more flexibility in their long-term planning and will better accommodate the needs of their members.

The League of Southeastern Credit Unions is a trade association that represents 270 credit unions in Florida and Alabama. Our mission is "To create an operating environment that enables credit

unions to grow and succeed.” The proposed changes to the Occupancy and Incidental Powers regulations will provide new opportunities for credit union growth, better serve the needs of members and our communities, and allow credit unions to operate more efficiently.

By removing the full occupancy requirement, NCUA will give credit unions the flexibility to operate according to the conditions that are present within their communities. The diversity of local zoning and development laws in the United States means that the operational challenges for a credit union in one community may not affect a credit union in another community. The rule change will give the executives of the credit union the flexibility to plan for their credit union’s growth into new areas or to seize opportunities to purchase property in anticipation of changes in the local community, such as the redevelopment of a neighborhood.

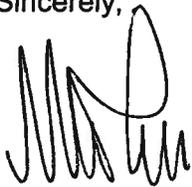
Credit Unions are fundamentally community financial institutions. This regulatory improvement can play a role in the changing landscape of communities working toward greater success, whether that is urban renewal or rural growth.

The following example may illustrate how the proposed changes in the rule could benefit a credit union and its community. For instance, a credit union may choose to purchase a multi-story commercial property to operate as its headquarters in a neighborhood that is experiencing rapid growth among young professionals. The transaction may have been cost prohibitive when the full occupancy rule was operational, but with the rule change, the costs of purchasing/building the facility and operating it could be managed. The credit union may lease a number of ground floor spaces to businesses (such as law offices, coffee shops, or bookstores) which would reduce the operational costs of the building. Because this neighborhood is up-and-coming, many young professionals are moving into or socializing in the area. The foot traffic into the facility and the free advertising of having the building in a high-traffic area may increase membership for the credit union. Those young people are a great demographic for the credit union membership because they are beginning their professional lives and

need to borrow money. This rule could be an impetus to credit unions becoming key players in urban renewal.

LSCU supports the efforts of NCUA to provide regulatory relief to credit unions. By removing the full occupancy rule, NCUA helps keep Federal Credit Unions competitive with state credit unions, which have more flexibility in this area. Furthermore, the new opportunities that will become available to credit unions with this rule change will create a fertile ground for growth in local communities and credit union membership, which will further strengthen and expand the credit union movement.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mike Lee', with a large, stylized initial 'M' and 'L'.

Mike Lee

Director of Regulatory Advocacy

League of Southeastern Credit Unions